

Vinson&Elkins

James Lloyd Loftis jloftis@velaw.com
Tel +1.713.758.1024 Fax +1.713.615.5143

January 16, 2015

Via E-mail

Hon. Gray H. Miller
United States District Judge
United States District Court for the
Southern District of Texas
Houston Division
515 Rusk Avenue
Houston, Texas 77002
Rhonda_Moore-Konieczny@txs.uscourts.gov

Re: No. G-14-249; *Ministry of Oil of the Republic of Iraq v. 1,032,212 Barrels of Crude Oil et al.*; In the United States District Court, Southern District of Texas.

Dear Judge Miller:

Pursuant to the Court's January 7, 2015 Memorandum Opinion and Order (Dkt. 57), counsel for Plaintiff Ministry of Oil of the Republic of Iraq submits this status update regarding settlement negotiations in the above-referenced matter.

Our client has informed us that resolutions for many of the major issues in dispute are subsumed within the overall budget discussions currently underway in Iraq. The relevant authorities are to meet with the Finance Committee and Energy Committee of the Iraqi Parliament within the coming week to discuss the current draft budget, with the stated goal of presenting a draft budget accepted by those Committees to the full Parliament later in that week. We are informed that this is the next required step in the process of potential resolution of the dispute.

Any discussion relating to the cargoes currently at sea, including the cargo aboard the *United Kalavyrta*, will take place after the 2015 budget law is adopted.

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January 16, 2015 Page 2

Respectfully submitted,

VINSON & ELKINS LLP



James Lloyd Loftis
Counsel for Plaintiff

cc: Harold K. Watson
Dimitri P. Georgantas
Eugene W. Barr
CHAFFE MCCALL L.L.P.
801 Travis Street, Suite 1910
Houston, Texas 77002
watson@chaffe.com
georgantas@chaffe.com
barr@chaffe.com

Michael J. Gottlieb
William C. Jackson
Samuel C. Kaplan
BOIES, SCHILLER & FLEXNER LLP
5301 Wisconsin Avenue, N.W.
Washington, D.C. 20015
MGottlieb@BSFLLP.com
WJackson@BSFLLP.com
SKaplan@BSFLLP.com

Christopher E. Duffy
BOIES, SCHILLER & FLEXNER LLP
575 Lexington Avenue
New York, NY 10022
212-446-2300 Telephone
212-446-2350 Facsimile
CDuffy@BSFLLP.com